

Introduced by Senator Battin

December 21, 2006

An act to add Section 23709.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 41, as introduced, Battin. Taxation: California Fallen Firefighters Assistance Tax Clarification Act of 2006.

The Corporation Tax Law exempts certain organizations from taxation, as provided.

This bill would provide that payments made by an exempt organization, as defined, on or after October 26, 2006, and before June 1, 2007, to any family member of a firefighter who died as a result of the October 2006 Esperanza Incident fire in southern California would be treated as payments made in furtherance of the charitable purpose of that organization.

This bill would make a legislative finding and declaration relating to the public purpose served by the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known and may be cited as the
- 2 California Fallen Firefighters Assistance Tax Clarification Act of
- 3 2006.
- 4 SEC. 2. Section 23709.5 is added to the Revenue and Taxation
- 5 Code, to read:

1 23709.5. (a) For purposes of Part 10 (commencing with Section
2 17001), Part 10.2 (commencing with Section 18401), and this part,
3 payments made on behalf of any firefighter who died as a result
4 of the October 2006 Esperanza Incident fire in southern California,
5 to any family member of such firefighter by an organization
6 described in paragraph (1) or (2) of Section 509(a) of the Internal
7 Revenue Code shall be treated as related to the purpose or function
8 constituting the basis for that organization's exemption under this
9 chapter if the payments are made in good faith using a reasonable
10 and objective formula which are consistently applied.

11 (b) Subdivision (a) shall apply only to payments made on or
12 after October 26, 2006, and before June 1, 2007.

13 SEC. 3. The Legislature finds and declares that the enactment
14 of this act and the retroactive application provided by Section 2
15 of this act are necessary for the public purpose of providing relief
16 under California law, by treating payments made by an organization
17 to any family member of any firefighter who died as a result of
18 the Esperanza Incident fire in southern California, as payments
19 made in furtherance of the charitable purpose of that organization
20 in order to prevent the loss of that organization's tax exempt status.

21 SEC. 4. This act provides for a tax levy within the meaning of
22 Article IV of the Constitution and shall go into immediate effect.